



PUBLIC NOTICE

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July 9, 2003

COMMISSION SEEKS COMMENT ON APPLICATIONS FOR CONSENT TO ASSIGN AND/OR TRANSFER CONTROL OF LICENSES AND AUTHORIZATIONS FILED BY WORLDCOM, INC. (DEBTOR-IN-POSSESSION) AND MCI, INC.

**Pleading Cycle Established
WC Docket No. 02-215**

Comments/Petitions Due: August 8, 2003

Responses/Oppositions to Petitions Due: August 18, 2003

On June 13, 2003,¹ WorldCom, Inc. (debtor-in-possession or DIP) d/b/a MCI and certain of its subsidiaries (as debtors-in-possession) (collectively “WorldCom”) and MCI, Inc. (“MCI” and, together with WorldCom, the “Applicants”) filed applications pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (the “Act”),² seeking Commission approval of the proposed assignment and/or transfer of control of licenses and authorizations held by WorldCom in bankruptcy.³ WorldCom holds various Commission licenses and authorizations, including submarine cable landing licenses;⁴ licenses for various wireless facilities,⁵ including paging, MMDS, point-to-point microwave, satellite earth stations, CARS,

¹ See, e.g., Application of WorldCom, Inc. (debtor-in-possession) d/b/a MCI and Certain of its Subsidiaries (as debtors-in-possession) for Authorization to Transfer and/or Assign Blanket Domestic Section 214 Authorization and International Section 214 Authorizations (filed June 13, 2003) (WorldCom Section 214 Application).

² 47 U.S.C. §§ 214, 310(d).

³ *In re WorldCom, Inc.*, et al., Chap.11 Case No. 02-13533 (Bankr. S.D.N.Y. 2002).

⁴ WorldCom filed its applications to assign its various submarine cable landing licenses on June 23 and 24, 2003.

⁵ WorldCom filed several of its assignment of license applications with the Wireless Telecommunications Bureau on June 16, 2003.

and miscellaneous private radio services; and international section 214 authorizations,⁶ as well as domestic section 214 authorization.

The Bureaus addressing these applications will not apply streamlined treatment pursuant to sections 63.03(b) and 63.12 of the Commission's rules.⁷ The Applicants filed applications with the various Bureaus for the assignment and transfer of control of multiple licenses and authorizations that relate to the same proposed transaction.⁸ In such instances, the Commission has determined that a joint public notice and pleading cycle can facilitate coordination and efficient resolution and has authorized the Bureaus to issue joint public notices even if the international and domestic section 214 applications are eligible for streamlined review.⁹ For these reasons, we find that it is appropriate not to streamline any of these applications, but to consider the proposed transaction as a whole.¹⁰

I. THE PARTIES

WorldCom is organized under the laws of the state of Georgia with principal offices in Ashburn, Virginia. WorldCom is a communications company providing local, long distance, switched access, broadband, paging, and Internet access and backbone services throughout the United States. WorldCom provides services worldwide to more than 20 million residential, government, and global business customers. (See applications filed June 13, 2003 in WC Docket No. 02-215 for specific services).

According to the Applicants, MCI, the proposed assignee and/or transferee, will be organized under the laws of the state of Delaware with principal offices in Ashburn, Virginia. WorldCom will be renamed MCI upon consummation of the Plan of Reorganization ("Plan") and emergence from bankruptcy. Under the Plan, no single shareholder will own a controlling interest in MCI. However, the Applicants state that two parties, Matlin Patterson Global Opportunities Partners, L.P. and Financial Ventures, L.L.C., each will own beneficially more than 5 percent of the new common stock of MCI as of the effective date of the company's emergence from Chapter 11 bankruptcy. No other holder of allowed claims will receive a

⁶ WorldCom filed applications to transfer its various international section 214 authorizations on June 27, 2003.

⁷ 47 C.F.R. §§ 63.03(b), 63.12.

⁸ The Applicants filed assignment and/or transfer of control applications with the International Bureau, the Wireless Telecommunications Bureau, the Wireline Competition Bureau, and the Media Bureau. *See e.g.*, Application of WorldCom, Inc. (Debtor-in-Possession) d/b/a MCI and Certain of its Subsidiaries (as debtors-in-possession) for Authorization to Transfer and/or Assign Blanket Domestic Section 214 Authorization and International Section 214 Authorizations Pursuant to Section 214 of the Communications Act of 1934, as Amended, WC Docket No. 02-215 (filed June 13, 2003).

⁹ *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, 17 FCC Rcd 5517, 5529-30, para. 23 (2002).

¹⁰ *See* 47 C.F.R. § 63.03(c)(5).

distribution of new common stock that would provide that holder with 10 percent or greater ownership in MCI. In addition, no foreign person or foreign entity will hold a 25 percent or greater interest in MCI.

II. THE TRANSACTION

WorldCom's proposed reorganization includes the creation of 15 classes of holders of claims against, and equity interests in, WorldCom. The Plan specifies that each class of individuals and entities with allowed claims will receive, generally speaking, a cash payment and/or securities in the form of new common stock and/or senior unsecured notes, in exchange for complete and full satisfaction of such allowed claims. The Plan calls for the new common stock and new notes to be issued according to the following aggregate distribution of new securities: (i) up to 2 billion shares of new common stock, par value \$ 0.01 per share, and (ii) between \$ 4.5 and \$ 5.5 billion of new notes. It is estimated that an aggregate of approximately 318 million shares of new common stock of the reorganized company will be issued to holders of allowed claims.

WorldCom asserts that grant of its applications would further the public interest in several respects: (1) it would provide the economic and social benefits that Chapter 11 of the Bankruptcy Code was designed to achieve; (2) it would further the development of competition in telecommunications markets by ensuring that WorldCom – one of the largest and most viable competitors to incumbent carriers – can continue to offer its services in markets nationwide; and (3) it would protect the interests of those residential and business customers who rely on WorldCom to provide essential telecommunications services, and it would avoid unnecessary interruptions in services provided to those customers.

III. INTERNATIONAL BUREAU APPLICATIONS

Part 25 – Satellite Communications

Applicants filed the following applications to assign common carrier earth station licenses from WorldCom to MCI:

<u>File No.</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
SES-ASG-20030624-00892	MCI WorldCom Network Services, Inc. (DIP)	E0000011
SES-ASG-20030624-00893	WorldCom Broadband Solutions, Inc. (DIP)	E860677
SES-ASG-20030624-00891	MCI WorldCom International, Inc. (DIP)	E881473
SES-ASG-20030625-00902	Overseas Telecommunications, Inc. (DIP)	E950232

Part 1 - Cable Landing Licenses

Applicants filed the following applications to assign cable landing licenses from WorldCom to MCI:

<u>File No.</u>	<u>Licensee</u>	<u>Lead License</u>
SCL-ASG-20030624-00012	WorldCom, Inc. d/b/a MCI (DIP)	SCL-LIC-19970421-00002

SCL-ASG-20030623-00013	MCI International, Inc. (DIP)	SCL-85-003
SCL-ASG-20030624-00014	Overseas Telecommunications, Inc. (DIP)	SCL-90-005
SCL-ASG-20030623-00015	MCI Communications Corporation (DIP)	SCL-85-003
SCL-ASG-20030623-00016	MFS CableCo. U.S., Inc. (DIP)	SCL-LIC-19960606-00229
SCL-ASG-20030623-00017	WorldCom International Data Services, Inc. (DIP)	SCL-87-071
SCL-ASG-20030623-00018	MFS Globenet, Inc. (DIP)	SCL-LIC-19971014-00009

Part 63 – International Service¹¹

Applicants filed the following applications for consent to transfer control of international section 214 authorizations from WorldCom to MCI:

<u>File No.</u>	<u>Authorization Holder</u>	<u>Lead Authorization</u>
ITC-ASG-20030627-00321	MCI WorldCom Network Services, Inc. (DIP)	ITC-87-184
ITC-ASG-20030627-00322	MCI International, Inc. (DIP)	ITC-89-155
ITC-ASG-20030627-00323	WorldCom, Inc. d/b/a MCI (DIP)	ITC-214-
19961212-00626		
ITC-ASG-20030627-00324	WorldCom International Data Services, Inc. (DIP)	ITC-90-128
ITC-ASG-20030627-00325	MCI WorldCom Communications, Inc. (DIP)	ITC-93-065
ITC-ASG-20030627-00326	MCI WorldCom International, Inc. (DIP)	ITC-214-
19961003-00486		
ITC-ASG-20030627-00327	MCI Communications Corporation (DIP)	ITC-90-128
ITC-ASG-20030627-00328	Overseas Telecommunications, Inc. (DIP)	ITC-88-001
ITC-ASG-20030627-00329	MFS Globenet, Inc. (DIP)	ITC-98-622

IV. MEDIA BUREAU APPLICATIONS

Part 78 – Cable Television Relay Service

Applicants filed the following applications to assign cable television relay service licenses from WorldCom to MCI:

<u>File No.</u>	<u>Licensee</u>	<u>Call Sign</u>
CAR-20030625AA-08	Wireless Video Enterprises, Inc. (DIP)	WLY-681
CAR-20030625AB-08	WorldCom Broadband Solutions, Inc. (DIP)	WLY-569
CAR-20030625AC-08	WorldCom Broadband Solutions, Inc. (DIP)	WLY-570
CAR-20030625AD-08	WorldCom Broadband Solutions, Inc. (DIP)	WLY-576
CAR-20030625AE-08	WorldCom Broadband Solutions, Inc. (DIP)	WLY-577
CAR-20030625AF-08	WorldCom Broadband Solutions, Inc. (DIP)	WLY-712
CAR-20030625AG-08	WorldCom Broadband Solutions, Inc. (DIP)	WLY-721
CAR-20030625AH-08	WorldCom Broadband Solutions, Inc. (DIP)	WLY-457
CAR-20030625AI-08	WorldCom Broadband Solutions, Inc. (DIP)	WLY-458

¹¹ Pursuant to 47 C.F.R. § 63.10(a)(2), MCI, Inc. agrees to be classified as dominant on the Brazil – U.S. route. See WorldCom Section 214 Application at 25.

CAR-20030625AJ-08	WorldCom Broadband Solutions, Inc. (DIP)	WLY-459
CAR-20030625AK-08	WorldCom Broadband Solutions, Inc. (DIP)	WLY-545
CAR-20030625AL-08	WorldCom Broadband Solutions, Inc. (DIP)	WLY-546
CAR-20030625AM-08	WorldCom Broadband Solutions, Inc. (DIP)	WLY-560
CAR-20030625AN-08	WorldCom Broadband Solutions, Inc. (DIP)	WLY-561

V. WIRELESS TELECOMMUNICATIONS BUREAU APPLICATIONS

Part 22 – Public Mobile Services; Part 24 – Personal Communications Services; Part 27 – Miscellaneous Wireless Communications Services; Part 90 – Private Land Mobile Radio Services; and Part 101 – Fixed Microwave Services

Applicants filed the following applications to assign commercial and private wireless communications authorizations from WorldCom to MCI:

<u>File Number</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0001348258	MCI WorldCom Communications, Inc. (DIP)	WPNU610
0001348830	Express Communications, Inc. (DIP)	KA68598
0001348207	MCI WorldCom Network Services, Inc. (DIP)	WAX65
0001348860	Intermedia Communications, Inc. (DIP)	WHB565
0001348865	Intermedia Services LLC (DIP)	KCK70
0001348897	SkyTel Communications, Inc. (DIP)	KNKG783
0001348938 ¹²	WorldCom Broadband Solutions, Inc. (DIP)	WLA870

Part 21 – Domestic Public Fixed Radio Services

Applicants filed the following applications to assign domestic public fixed radio licenses from WorldCom to MCI:

<u>File Number</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
20030627AAA ¹³	CS Wireless Systems, Inc. (DIP)	B028
20030617AAA ¹⁴	Intermedia Services LLC (DIP)	KFK28 – WHB565

¹² In its application WorldCom notes that it has received bankruptcy court approval to sell certain wireless assets, including MMDS, WCS and other licenses, by auction. WorldCom represents that it anticipates that the applications for assignment of those licenses to the asset sale buyer will not be filed until after WorldCom has received approval of the applications covered by this *Public Notice*. We take administrative notice of the fact that in a bankruptcy court-authorized auction on June 30, 2003, Nextel Communications, Inc. was the high bidder for these wireless assets. If WorldCom submits assignment applications to assign the subject licenses to Nextel Communications or to a third party during the pendency of the applications covered by this *Public Notice*, and if that assignment is approved and consummated prior to the approval of the subject applications, we expect that the licenses so assigned would be removed from the reorganization transaction that is the subject of this *Public Notice*.

¹³ *Id.*

¹⁴ *Id.* This application was separately placed on Public Notice as accepted for filing on June 25, 2003. See Wireless Telecommunications Bureau Site-by-Site Accepted for Filing, *Public Notice*, Report No.

20030627AAB¹⁵ WorldCom Broadband Solutions, Inc. (DIP) B006

VI. WIRELINE COMPETITION BUREAU APPLICATIONS

Part 63 – Domestic Service

Applicants also filed an application for consent to transfer control of domestic section 214 authority from WorldCom to MCI.

VII. GENERAL INFORMATION

The transfer of control applications identified herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Final action will not be taken on the applications earlier than 31 days following the date of this Public Notice.

Pursuant to 47 C.F.R. § 1.1200(a), which permits the Commission to adopt modified or more stringent *ex parte* procedures in particular proceedings if the public interest so requires, we announce that this proceeding will be governed by "permit-but-disclose" *ex parte* procedures that are applicable to non-restricted proceedings under 47 C.F.R. § 1.1206.

All filings concerning any or all matters in this Public Notice should refer to **WC Docket No. 02-215**. Pursuant to Sections 1.415 and 1.419 of the Commission's rules, 47 C.F.R. §§ 1.415, 1.419, interested parties may file comments or petitions to deny on or before **August 8, 2003** and oppositions and/or reply comments on or before **August 18, 2003**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Persons and entities that file petitions to deny become parties to the proceeding. They may participate fully in the proceeding, including seeking access to any confidential information that may be filed under a protective order, seeking reconsideration of decisions, and filing appeals of a final decision to the courts. Persons and entities that file comments will have those comments considered but do not become parties to the proceeding and may not be able to participate as fully as petitioners.

Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this

1531 (rel. June 25, 2003). Notwithstanding that earlier *Public Notice*, it is our intention to accept comment on this application in accord with the pleading cycle set forth herein and to otherwise process this application in conjunction with the other applications listed herein.

¹⁵ See *supra* note 12.

proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the subject line "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to **file by paper** must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail).

The Commission's contractor, Vistrionix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Qualex International, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: qualexint@aol.com; facsimile: (202) 863-2898; phone: (202) 863-2893.
- (2) David Krech, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-A664, Washington, D.C. 20554; e-mail: David.Krech@fcc.gov;
- (3) Erin McGrath, Commercial Wireless Division, Wireless Telecommunications Bureau, 445 12th Street, S.W., Washington, D.C. 20554; e-mail: Erin.Mcgrath@fcc.gov;
- (4) Jeffrey Tobias, Public Safety and Private Wireless Division, Wireless Telecommunications Bureau, 445 12th Street, S.W., Room 2-C828, Washington, D.C. 20554, e-mail: jtobias@fcc.gov;
- (5) JoAnn Lucanik, Satellite Division, International Bureau, 445 12th Street, S.W., Room 6-A660, Washington, D.C. 20554, e-mail: JoAnn.Lucanik@fcc.gov;

- (6) Christine Newcomb, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C360, Washington, D.C. 20554; e-mail: cnewcomb@fcc.gov;
- (7) Ann Bushmiller, Transaction Team, Office of General Counsel, 445 12th Street, S.W., Room 8-A831, Washington, D.C. 20554; e-mail Ann.Bushmiller@fcc.gov.
- (8) Wayne McKee, Engineering Division, Media Bureau, 445 12th Street, S.W., Room 4-C737, Washington, D.C. 20554; e-mail: Wayne.Mckee@fcc.gov.

Copies of the application and any subsequently-filed documents in this matter may be obtained from Qualex International, in person at 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, via telephone at (202) 863-2893, via facsimile at (202) 863-2898, or via e-mail at qualexint@aol.com. The applications and any associated documents are also available for public inspection and copying during normal reference room hours at the following Commission office: FCC Reference Information Center, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. The applications are also available electronically through the Commission's Electronic Filing System (ECFS) which may be accessed on the Commission's Internet website at <http://www.fcc.gov>.

For further information, contact David Krech, Policy Division, International Bureau, at (202) 418-7443; Christine Newcomb, Competition Policy Division, Wireline Competition Bureau at (202) 418 1580; JoAnn Lucanik, Satellite Division, International Bureau at (202) 418-0873; Jeffrey Tobias, Public Safety and Private Wireless Division, Wireless Telecommunications Bureau at (202) 418-1617; Erin McGrath, Commercial Wireless Division, Wireless Telecommunications Bureau at (202) 418-2042; or Wayne McKee, Engineering Division, Media Bureau at (202) 418-2355.

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